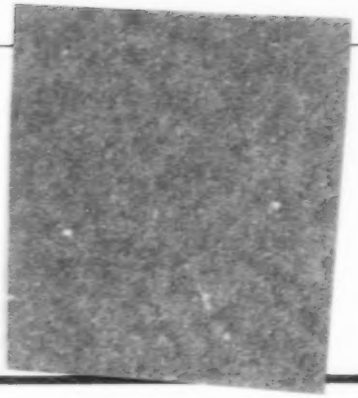
UNITED NATIONS

Framework Convention on Climate Change



Distr.
GENERAL

FCCC/IDR.1(SUM)/POR
4 April 1997

Original: ENGLISH

SUMMARY

of the

REPORT OF THE IN-DEPTH REVIEW OF THE NATIONAL COMMUNICATION

of

PORTUGAL

(The full text of the report (in English only) is contained in document FCCC/IDR.1/POR)

Review Team:

Leonidas Oswaldo Girardin, Argentina
Maria Angeles Cristobal Lopez, Spain
Lucas Assunção, UNFCCC secretariat, Coordinator

Also available on the World Wide Web (http://www.unfccc.de)

GE.97- 60814

Summary[1]

1 Portugal ratified the Convention on 21 December 1993 and submitted its first national communication on 25 January 1995. The in-depth review was carried out during the period August-November 1996 and included a visit to Lisbon from 9 to 12 September 1996. The review team included experts from Argentina and Spain.

2 Portugal has fulfilled its reporting commitments under the Convention. It is also committed to achieving the European Union (EU) target to stabilize carbon dioxide (CO_2) emissions at 1990 levels by 2000, even though Portugal's own national target is to limit growth in CO_2 emissions from fossil fuel combustion to 40 per cent in the decade. The review of the country's policies relevant to the Framework Convention on Climate Change cannot be undertaken without an understanding of the complex process of integration of the Portuguese economy into the EU and the Government's commitment to raise living standards towards the EU average. Since Portugal joined the EU in 1986, its economy has become increasingly intertwined with the European economy as a whole. Its energy, transport and industrial policies have been determined to a growing extent by main trends in the EU, with decreasing scope for independent domestic policy-making.

3 During the review, a considerable amount of additional background information about inventories, projections and policies and measures was made available in a transparent and cooperative way. This new material greatly improved and updated information submitted with the national communication. Of particular importance were the revisions made to CO_2 projections for 2000, the estimate of the country's sink capacity and the submission of new greenhouse inventories, primarily for CO_2, for 1991 through 1994. Regarding CO_2 sinks, the estimation of annual CO_2 uptake by Portuguese forests was considerably revised during the review following the review team's suggestion that the Intergovernmental Panel on Climate Change (IPCC) default methodology be applied. The annual removal of CO_2 was thus estimated at 29,718 Gg, rather than the 70,400 Gg reported in the national communication.

4 In light of the economic performance of Portugal in the first half of the 1990s and assuming that the expected increase in the use of natural gas in electricity production takes place as planned, total energy-related CO_2 emissions in Portugal are now projected to grow by 34.5 per cent in the decade. This is a significant downward revision of the 40 per cent projected in the national communication. The team strongly urged government officials to prepare emission projections for CO_2 from other sources also, and for methane (CH_4) and nitrous oxide (N_2O).

---

[1] In accordance with decision 2/CP.1 of the Conference of the Parties, the full draft of this report was communicated to the Government of Portugal, which had no further comments.

5. The team noted that no effort has so far been made to estimate the possible mitigation effects of ongoing policies and measures, even though some measures being implemented could be considered "no regrets" measures. The review team strongly recommended that such an effort be made for the second national communication due in April 1997, in particular in the energy, transport and industry sectors.

6. The energy system in Portugal has undergone major restructuring to meet increasing energy demand and increased dynamics in EU energy markets. Former policy objectives such as energy security and energy supply diversification are giving way to EU-wide energy supply and demand forces and becoming less dependent on strictly national circumstances. Energy demand is expected to keep growing at an annual rate of 4 to 5 per cent, but national per capita consumption remains lower than the EU average. The introduction of natural gas in total primary energy supply in early 1997 -- with the entering into operation of the Algerian gas pipeline through Spain -- is expected to meet part of this energy demand growth, both for electricity supply and for industrial and residential end-uses. The country's dependence on imported oil is expected to decrease from the current 70 to 60 per cent of its needs by 2010. There is no nuclear power generation in Portugal.

7. An unprecedented road-building process has been under way for the last 10 years. The transport sector has grown much faster than gross domestic product, while the population has remained stable. This trend is expected to continue as consumption patterns approach those of the EU. The EU average car ownership rate per inhabitant has not yet been attained. The team was informed that bottlenecks to this expansion could occur in the near future as city and nation-wide road infrastructures are not always available. Emissions in the transport sector are expected to increase 46 per cent by 2000 and 78 per cent by 2010, while in electricity production they may grow by 35 per cent by 2000, even when the increased share of natural gas is factored in.

8. Other important measures which may impact on CO_2 emissions from the energy sector include incentives for independent producers (i.e. small hydropower producers and other renewable sources) to generate electricity, which must be purchased by the recently restructured Eletricidade de Portugal. Programmes have provided direct capital investment grants and loans in the past, mainly to industry, while a more recent programme has been designed to provide financial incentives to the industry, transport and building sectors. Fiscal incentives are in place for the installation of new equipment needed in the use of renewable sources of energy for domestic consumers. Regulations related to energy management, building insulation, building acclimatization systems and equipment labelling and standards are part of the government's energy efficiency policy and likely to also limit CO_2 emissions. During the review, government officials stated that the introduction of demand-side management measures and integrated resource planning are under discussion in connection with future energy policies. The possible mitigation effects and timing for implementation of these measures were not specified.

9 Portugal, as a participant in the Global Environment Facility (GEF), made a contribution in 1994 to the GEF pilot phase of 4.5 million SDR (special drawing rights), or roughly US$ 6.5 million. Portugal considers its bilateral cooperation with Portuguese-speaking African countries as a priority in its commitment to implement Agenda 21. Regarding climate change, the Ministry of Foreign Affairs has approached Cape Verde and Guinea-Bissau to promote their active participation in the GEF, and similar contacts have been made with Angola and Mozambique. A decision has also been taken by the group of Portuguese- speaking countries to create an agency for the assessment of environmental impact. Such an agency would include Portugal, Brazil, all Portuguese-speaking African countries and the Territory of Macau. Several projects have already been identified in the areas of greenhouse gas (GHG) inventories, air pollution monitoring, climate observation and adaptation measures and dissemination of technical information.